

Author	Bill Number
California Integrated Waste Management Board	SB 698
Sponsor	Date Amended
First Brands, Inc.	As Introduced
Related Bills	
None	

BILL SUMMARY

SB 698 would delete requirements that plastic trash bag manufacturers ensure that those bags contain at least 20 percent postconsumer plastic by January 1996 and at least 30 percent postconsumer plastic by January 1997, but would leave in place the requirement that bags 1 mil or greater in thickness contain at least 10 percent postconsumer plastic. The bill would require the California Integrated Waste Management Board (CIWMB) to provide plastic bag manufacturers with a credit of 1.1 pounds for every 1 pound of postconsumer plastic purchased from a California supplier. The bill would delete requirements that wholesalers provide the CIWMB with information on their manufacturer suppliers, and it would exempt bags with adhesive, heat-affixed straps or with drawstrings from the requirement for 10 percent postconsumer plastic.

BACKGROUND

SB 698 is sponsored by First Brands, Inc., a manufacturer of plastic trash bags. First Brands believes that California law requiring 20 percent and 30 percent postconsumer plastic in trash bags is inappropriately difficult to implement. First Brands asserts that these levels of postconsumer plastic cause poor quality bags that consumers are unwilling to purchase. Additionally, First Brands asserts that, to satisfy California law while maintaining market share, it must bear additional costs to manufacture and inventory a product line for California and a separate product line for the rest of the country.

EXISTING LAW

State Law:

1. Requires every manufacturer of plastic trash bags .75 mil and thicker to ensure that at least 20% and, on and after January 1, 1997, at least 30% of the material used in those plastic bags is recycled plastic postconsumer material (PRC §42291).

Departments That May Be Affected		
Trade and Commerce Agency		
Committee Recommendation	Committee Chair	Date
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2. Authorizes bag manufacturers to certify to the CIWMB if sufficient quantities or quality of postconsumer plastic is not available (PRC §42291).
3. Requires bag manufacturers to annually certify to the CIWMB that they have complied with the minimum content requirements (PRC §42293).
4. Requires wholesalers of plastic trash bags sold in California to certify to the CIWMB the name and physical location of each manufacturer from whom it purchases plastic trash bags (PRC §42294).
5. Authorizes manufacturers of bags that use adhesive, heat-affixed straps to petition the CIWMB for a variance from the minimum content requirements (PRC §42298).

ANALYSIS

SB 698 would:

1. Delete requirements that plastic trash bag manufacturers ensure that those bags contain at least 20 percent postconsumer plastic by January 1996 and at least 30 percent postconsumer plastic by January 1997, but would leave in place the requirement that bags 1 mil or greater in thickness contain at least 10 percent postconsumer plastic;
2. Require the CIWMB to provide plastic bag manufacturers with a credit of 1.1 pounds for every 1 pound of postconsumer plastic purchased from a California supplier;
3. Delete requirements that wholesalers provide the CIWMB with information on manufacturer suppliers from whom they purchase trash bags, sold in California, for bags of .75 mil and greater, but leave in place requirements that wholesalers provide such information for bags of 1 mil and greater; and
4. Exempt bags with adhesive, heat-affixed straps from the requirement for 10 percent postconsumer plastic.
5. Exempt drawstring type bags from the requirement for 10 percent postconsumer plastic.

COMMENTS

Manufacturer discretion over use of postconsumer plastic in trash bags. Statutes do not require the use of postconsumer plastic in every regulated trash bag, and the CIWMB has interpreted the requirement to apply to each manufacturer's annual aggregate production of plastic trash bags. Therefore, manufacturers have the discretion to use postconsumer plastic in any regulated trash bag, provided the manufacturer uses the minimum amount of postconsumer plastic during each calendar year.

California. Thinner bags and bags sold outside of California are not subject to the minimum use requirement.

Manufacturer certifications. The CIWMB requires manufacturers to submit annual certifications by March 1 following the reporting year. Trash bag manufacturers certify that they have used the minimum amount of postconsumer plastic to manufacture the regulated bags sold in California. Wholesalers certify from whom they have purchased regulated trash bags and from where they were shipped into California. Exemptions from the use requirements are available to manufacturers if postconsumer plastic was not available within a reasonable time period, as defined in regulation, or if available postconsumer plastic did not CIWMB-established quality standards. In 1995, statutes exempted bags with heat-affixed straps for calendar year 1996 and created a variance process for such bags for calendar year 1997 and beyond.

Certification reports indicate:

- For the 1993 reporting period, 23 manufacturers certified having used 1,904 tons of postconsumer material (non-blended, 100% postconsumer content). Only one out of the 23 manufacturers did not meet the 10% use requirement in effect for 1993.
- For the 1994 reporting period, 41 manufacturers submitted certifications. Only one out of the 41 manufacturers did not meet the 30% use requirement in effect for 1994.
- For the 1995 reporting period, 41 manufacturers certified having used 5,350 tons of postconsumer material (non-blended, 100% postconsumer content). Of the 41 manufacturers submitting certifications, only 19 are regulated manufacturers. Of those regulated manufacturers, 15 complied with the 30% use requirement in effect for 1995, including the two largest manufacturers.
- To date, for the 1996 reporting period, 31 manufacturers reported using 6,123 tons of recycled plastic postconsumer material. Of the 31, 20 sold regulated trash bags; 17 complied with the 20% use requirement in effect for 1996.

Manufacturer exemptions. No company has claimed an exemption based on poor quality or unavailability of postconsumer plastic. One company is seeking a public hearing to request an exemption for their bags with heat-affixed straps for 1997. For the 1993 and 1994 reporting periods, one company certified that it had not met the recycled plastic postconsumer material use requirement. This number increased for the 1995 certification due to the increase from 10% to 30% in the recycled plastic postconsumer material use requirement.

LEGISLATIVE HISTORY

SB 698 was introduced February 25, 1997, and referred to the Senate Committee on Environmental Quality. The bill is set for hearing on April 21.

Support: none on file.

Opposition: none on file.

This bill is a revised reintroduction of AB 2744 (Ackerman, 1996), which would have required each plastic trash bag manufacturer to annually certify the weight of plastic trash bags .75 mil and thicker that manufacturer sold in California in the previous calendar year and to annually certify the weight of recycled plastic postconsumer material used that is equal to 30% of the total plastic trash bags .75 mil and thicker. That bill failed passage in the Senate Committee on Governmental Organization.

FISCAL AND ECONOMIC IMPACT

SB 698 would result in a one-time cost of \$25,000 (1/4 PY) to the CIWMB for rewriting regulations governing manufacturer reporting of use of postconsumer plastic in trash bags. This cost would be \$12,500 in FY 98-99 and \$12,500 in FY 99-00; these costs would be borne by the Integrated Waste Management Account.

As a result of the successful diversion of solid waste from California's landfills, the Integrated Waste Management Account is experiencing declining revenues due to decreased tipping fees. For this reason, less money is available to implement CIWMB programs. Enactment of this legislation could result in less funding for other vital CIWMB programs.